

Letter of Agreement

Between

Teck Coal Limited Fording River Operations

And

United Steelworkers Local 7884

The following outlines the Trades Retention Plan agreed to by the parties on this 27 day of February 2017 and will become effective on January 01/2017.

1. Certified Tradespeople and Apprentices will be eligible to receive the grant amount.
2. Certified Tradespeople and Apprentices on short term disability will be eligible to receive grant amount.
3. Certified Tradespeople and Apprentices on long term disability will not receive grant amounts during the time they are claiming long term disability benefits. Portions of grant amounts already accrued will be paid out based on the normal maturity date.
4. The date of granting will be January 1, 2017.
5. The grant will mature in equal amounts over a three year period effective January 1 of each year.
6. Terminated Tradespeople or Apprentices or those quitting prior to the payout date will lose granted amounts.
7. The estate of those who become deceased during their employment will be eligible to collect the funds maturing at the conclusion of the year in which the employee dies.
8. For Tradespeople or Apprentices that retire they will be paid out a prorated portion of the grant earned up to the date of retirement rounded to the nearest full month of employment.

IE: Employee was eligible for \$6000 at the end of 2017 but retires on June 30th the employee would receive $6/12$ of $\$6000/12 \times 6$ months = \$3000 on their final pay.

Employee was eligible for \$6000 at the end of 2017 but retires on February 22nd the employee would receive $1/12^{\text{th}}$ of $\$6000/12 \times 1$ month = \$500 on their final pay.

9. New Tradespeople or Apprentices who commence work between January 01 and June 30th will receive a full grant for that year. For those employees hired or indentured after June 30th they will be eligible for 50% of that years grant.

IE: Employee hires on February 10th 2017 the grant for that year will remain at 100% so the employee would be paid \$2000 in 2018, 2019 & 2020.

Employee hires on July 2nd 2017 the grant for that year would be 50% so the employee would be paid \$1000 in 2018, 2019 & 2020.

10. For those employees who transfer from hourly to staff, their trades retention grants will wrap up and be prorated and paid out in the same manner described in point #8.

11. Previously granted amounts will continue to be paid out as they mature in 2020.
12. The Trades Retention Plan is a one year program that will require renewal through mutual agreement in 2018.

Trades Retention Plan Schedule

2014 Renewed	2015	2016	2017 renewed	2018	2019	2020
\$6000 grant	\$2000	\$2000	\$2000			
	\$6000 grant	\$2000	\$2000	\$2000		
		\$6000 grant	\$2000	\$2000	\$2000	
			\$6000 grant	\$2000	\$2000	\$2000
				Renewal required		
Amount Paid	\$6000	\$6000	\$6000	\$6000	\$4000	\$2000

Agreed to this 27 Day of February, 2017



Troy Tobin
Human Resources Superintendent
Fording River Operations



Don Takala
Union President
United Steelworkers, Local 7884